



Community Providers Association
Caring for Connecticut.

March 2, 2010

To: Human Services Committee

From: Terry Edelstein, President/CEO

Re: **Testimony on S.B. 283 AAC Audits by the Department of Social Services**

Please accept this testimony regarding S.B. 283. We support the proposed legislation for its goal of making the DSS audit process an open, transparent process. That is not the situation right now.

The Connecticut Community Providers Association represents organizations that provide services and supports for people with disabilities and significant challenges including children and adults with substance use disorders, mental illness, developmental, and physical disabilities.

We spoke to this issue a year ago in your Committee. Once again we ask you to approve legislation that will remedy a process that is greatly in need of repair. This past year most organizations providing psychiatric services to children have been audited by DSS. While our Association has been offering training in "corporate compliance" for many years, few providers were prepared for these DSS audits, for the most part because of the absence of clear, written policies and procedures governing the audits. It is important to note that these same providers are licensed and monitored by state agencies and subject to federal and state fiscal audits. They aren't strangers to a regulatory process.

Not only has the DSS audit process been a "work in progress" but the preliminary audit findings are threatening the financial viability of some of the community provider agencies.

As an association, we made numerous efforts to meet with DSS in order to clarify the process and better educate our members about what to expect in the audit process and how to prepare. Our efforts were rebuffed many times over. Nine months ago we framed an agenda for a

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meeting that was subsequently cancelled that highlights the myriad of issues that needed to be addressed. As you will see at the end of this written testimony, our all over goal was to assure compliance, but we needed verification of the rules governing the audit process. We sought concrete information about audit tools, written guidance, and resolution of specific documentation details. Finally we asked DSS to provide training for private providers to assure audit compliance.

Without guidance from DSS, our association relied on consultation from a number of law firms. We established our own corporate compliance forum for education and sharing of best practices. And we encouraged each private provider agency undergoing an audit to contract with its own legal counsel to represent the organization in the audit process. As one provider wrote to me, “I don’t thing that the state wants us to waste taxpayer dollars on the time consuming and costly process of resolving audit issues, when dollars are better spent on care which is in short supply already,” let alone make paybacks in the six figures.

To highlight a few of the critical issues that SB 283 would address:

1. There were no written policies and procedures governing the audits. There are no regulations governing the program. This makes it extremely difficult to comply with an audit when there are no explicit up front rules on the process. Other states utilize formal audit guidelines and regulations. Connecticut should do the same.
2. The audits were focused on paper compliance. Based on the preliminary audit findings, providers have been cited on technical documentation issues, most notably relating to physician signatures and appointment start and end times. With extrapolation, these technical errors have been magnified resulting in potentially devastating paybacks.
3. Most auditors were new to the field of auditing children’s mental health programs. There was uncertainty about what information they were seeking and how that information was to be documented. Sampling methodologies were not clear. There seemed to be no standardization in the auditing process.

We appreciate the opportunity of testifying and welcome the opportunity of working with the Committee and DSS with regard to improving the audit process.

CCPA agenda proposed to DSS June 10, 2009:

1. Goals of the meeting
 - a. Assuring compliance
 - b. Verification of the “rules” governing the audit process
 - c. Assuring transparency of the process
 - d. Making improvements to the process
2. Issue areas
 - a. Audit tools
 - i. Audit checklist
 - ii. Audit manual
 - iii. Case selection process
 - iv. Extrapolation methodology
 - b. Official guidance
 - i. Statutory references
 - ii. Regulations
 - iii. Policies
 - iv. Official memoranda
 - v. Creation of a compliance manual
 - c. Process details
 - i. Assuring consistency between/among auditors
 1. Auditor training?
 2. Auditor guidance on detail they are seeking?
 - ii. Timing for resolution of audit findings
 - d. Implementation detail
 - i. Medical Direction
 1. Clarification of MD responsibility
 - a. Medical direction
 - b. Acceptable supporting documentation
 - i. In chart only?
 - ii. In Medicaid application?
 - iii. In table of organization?
 - iv. In job descriptions?
 2. MD/ Psychiatrist sign off
 - a. Timing for sign-off
 - b. Timing of updated of sign offs
 3. Progress notes
 - a. Sign off responsibility
 - b. Model notes
 4. Consistency between 2003 Parrella letter and federal policy
 5. APRN sign off status
 6. Verification of medical necessity
 - ii. Definition of start time, end time
 - iii. Billing codes
 1. Use of correct billing codes
 2. Addressing clarifications and updates to billing codes
 3. Consistency between DSS and Behavioral Health Partnership in providing guidance to providers
 - e. Industry status
 - i. Audit findings
 1. Standard issue areas and process for rectifying
 2. Agency-specific issue areas
 - ii. Resolving current audit exposures
3. Training for the field